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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re: : Chapter 15
PICKENPACK HOLDING GERMANY GMBH, : Case No. 16-_____(____)
Debtor in a Foreign Proceeding. :

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In re: : Chapter 15
PICKENPACK EUROPE GMBH, : Case No. 16-_____(____)
Debtor in a Foreign Proceeding. :

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In re: : Chapter 15
PICKENPACK PRODUCTION LÜNEBURG GMBH, : Case No. 16-_____(____)
Debtor in a Foreign Proceeding. :

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In re: : Chapter 15
TST THE SEAFOOD TRADERS GMBH, : Case No. 16-_____(____)
Debtor in a Foreign Proceeding. :

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**DECLARATION OF FRIEDRICH VON KALTENBORN-STACHAU,
INSOLVENCY ADMINISTRATOR, IN SUPPORT OF VERIFIED
PETITIONS FOR RECOGNITION OF FOREIGN PROCEEDINGS
AND MOTION FOR ORDER GRANTING RELATED RELIEF**

I, Friedrich von Kaltenborn-Stachau, pursuant to 28 U.S.C. § 1746, hereby
declare under penalty of perjury under the laws of the United States of America as follows:

1. I am over the age of 18 and, if called upon, could testify to all matters set forth in this statement based upon my own personal knowledge except for those portions specified as being otherwise.

2. On March 1, 2016, the Local Court of Lüneburg, Germany (the “German Court”), made an order appointing me as the Insolvency Administrator (*Insolvenzverwalter*) (the “Petitioner”) of Pickenpack Holding Germany GmbH, Pickenpack Europe GmbH, Pickenpack Production Lüneburg GmbH and TST The Seafood Traders GmbH (collectively, the “Pickenpack Entities”).

3. I submit this declaration in support of the form petitions (together, the “Petitions”) and accompanying verified petitions filed under chapter 15 of title 11 of the United States Code, as amended (the “Bankruptcy Code”) by the Petitioner, seeking recognition of the Pickenpack Entities’ insolvency proceedings in Germany (the “German Proceedings”) pending before the German Court.

4. Where the matters stated in this declaration are statements of fact that are within my personal knowledge, they are true. Where the matters stated in this declaration are statements of fact that are not within my personal knowledge, they are derived from documents and/or information supplied to me by my counsel and are true to the best of my knowledge, information, and belief.

THE PICKENPACK ENTITIES

I. The Nature of the Pickenpack Entities’ Business Prior to its Liquidation

1. The Pickenpack Entities consist of four related entities that were all incorporated in Germany as limited liability companies, which include (i) Pickenpack Holding Germany GmbH (“PP Holding”), (ii) Pickenpack Europe GmbH (“PP Europe”), (iii) Pickenpack

Production Lüneburg GmbH (“PP Production”), and (iv) TST The Seafood Traders GmbH (“TST”).

2. The business of the Pickenpack Entities (the “Business”) has a history of more than 100 years going back to the establishment as a fishery company in 1906 (*i.e.*, devoted to the catching, processing and selling of fish). In the 1950s, the Business was changed from a fishery to the processing and trading of deep-frozen fish products and eventually established a processing factory in Lüneburg, Germany in 1975.

3. In 2013, the Business was expanded by the addition of TST, which was acquired by PP Holding from Leuchtturm Beteiligungs- und Holding Germany GmbH. TST’s most significant asset was a food factory in Riepe, Germany.

4. Prior to the German Proceedings, the Pickenpack Entities were one of the leading producers of deep-frozen fish and seafood products for the “private label market” in Germany and Europe. The Business consisted of processing facilities in Lüneburg, Germany (run by PP Production) and Riepe, Germany (run by TST) producing approximately 75,000 tons of deep-frozen fish per year in the aggregate. Customers were located within the European Union, with the majority of the customers being Germany’s major retail companies and conglomerates.

5. Within the Business, the processing/production was handled by PP Production and TST. PP Europe served as a sale and distribution company and dealt directly with the customers of the Pickenpack Entities.

6. The frozen fish (raw material) was purchased by PP Production and TST in “deep-frozen block form” and imported from the U.S., Russia or China, where the fish was originally caught and frozen directly on the vessel. The frozen fish was sold and delivered for interim storage at certain storage facilities in Bremen and Cuxhaven, owned by third-parties, and

subsequently transported to PP Production's and TST's storage and production facilities, respectively in Lüneburg and Riepe.

7. The Pickenpack Entities are all incorporated as German limited liability companies and registered with the commercial register of the Local Court of Lüneburg, Germany, as follows:

- (a) Pickenpack Holding Germany GmbH (registered under HRB 200209): Incorporated as Eulenkrug elfte Vermögensverwaltung mbH. On March 22, 2006, it changed its name to Icelandic Holding Germany GmbH. On May 14, 2012, it changed to its current name, Pickenpack Holding Germany GmbH;
- (b) Pickenpack Europe GmbH (registered under HRB 203694): Incorporated as Blitz F11-fünf-drei GmbH on March 14, 2011. On March 16, 2012, it changed its name to Pickenpack Europe GmbH. On February 1, 2013, it changed its name to Pickenpack Europe Services GmbH. On July 1, 2013, it changed to its current name and back to Pickenpack Europe GmbH;
- (c) Pickenpack Production Lüneburg GmbH (registered under HRB 1964): Incorporated as "Goliath" Vierundachtzigste Beteiligungs- und Verwaltungsgesellschaft mbH on November 16, 1998. On October 12, 2005, it changed its name to Pickenpack – Hussman & Hahn Seafood Gesellschaft mbH. On October 6, 2011, it changed its name to Pickenpack GmbH. On February 1, 2013, it changed its name to Pickenpack Europe GmbH. On June 17, 2013, it changed to its current name, Pickenpack Production Lüneburg GmbH; and
- (d) TST The Seafood Traders GmbH (registered under HRB 205993): Incorporated on January 6, 2011.

8. The principal place of business and registered office for each of the Pickenpack Entities is located in Germany, at Lüne Rennbahn 9, 21339 Lüneburg, Germany. The books and records of the Pickenpack Entities are located at this location as well and the majority of the Pickenpack Entities' creditors are located in Germany. As reflected in the German Court Orders (as defined below), the majority of the members for each of the Pickenpack Entities' respective creditors' committees are also located in Germany. The Pickenpack Entities' current and prior

assets are located in Germany, including funds in German bank accounts, and machinery, equipment and real estate in Germany, the majority of which has already been liquidated.

9. In addition, the Pickenpack Entities historically have paid taxes directly to the German government and continue to do so.

II. Pre-Liquidation Management and Ownership of the Pickenpack Entities

10. Prior to the German Proceedings of each of the Pickenpack Entities, Mr. Finnbogi A. Baldvinsson was managing director of PP Holding. In addition, Mr. Baldvinsson and Ms. Andrea Meyer were managing directors of PP Production and PP Europe. Mr. Baldvinsson's son, Fjölur Finnogason, and Andrea Meyer (together with Mr. Baldvinsson and Mr. Finnogason, the "Management"), were managing directors of TST. Although the Management is still in place, as of the commencement of the German Proceedings, they are no longer authorized to run the Pickenpack Entities and are only assisting me in the liquidation process.

11. PP Production, PP Europe and TST are each wholly-owned subsidiaries of PP Holding. The shares of PP Holding are held by Asarmona Holdings Limited (holding 94% of the PP Holding shares) and Mastonia Investments Limited (holding 6% of the PP Holding shares). In addition, Pacific Andes International Holdings Ltd. ("Pacific Andes") holds a 19% indirect ownership.

III. Events Leading up to the Commencement of the German Proceedings

12. In the beginning of 2013, the management of the Pickenpack Entities made efforts to restructure in order to reduce costs and expenses. Part of this restructuring process was the relocation of production capacity from Lüneburg to Riepe in order to reduce the headcount at the Lüneburg facilities. In late 2014, the management reduced the headcount by 140 employees at

the Lüneburg location. However, although material savings in costs and expenses were achieved, the restructuring was not sustainable.

13. The most significant event leading to the commencement of the German Proceedings was the lack of currency hedging between the U.S. dollar and Euro. Previously, the Pickenpack Entities entered into all of its supply agreements for the purchase of the raw material on a U.S. dollar basis and entered into its (long-term) customer agreements for the sale of its products on a Euro basis. The currency-based cost-to-income calculation collapsed as the exchange rates changed. As a result, the Business generated losses based on the lack of currency hedging.

14. In addition, historically, Pacific Andes, in its capacity as the “indirect ultimate parent company,” reimbursed the Pickenpack Entities for losses incurred in the ordinary course of business, in part, in the form of letters of comfort issued by Pacific Andes. In 2015, Pacific Andes encountered financial difficulties. In a report submitted by Deloitte and Touche GmbH, dated November 21, 2015 (the “Deloitte & Touche Report”), submitted at the behest of the Pickenpack Entities’ creditor, Rabobank Banking Consortium, it was determined that the letters of comfort provided by Pacific Andes were worthless.

IV. The German Proceedings and Appointment of the Insolvency Administrator

15. Shortly after the Deloitte and Touche Report was submitted, on December 2, 2015, the Pickenpack Entities filed a request with the German Court to open the insolvency proceedings under the German Insolvency Act.

16. On December 3, 2015, the German Court issued an order for each of the Pickenpack Entities (the “German Preliminary Orders”), copies of which along with a certified English translation are attached to the Petitions as Exhibit B, appointing me as the preliminary

insolvency administrator and instructing me to determine whether the statutory requirements for the opening of insolvency proceedings was fulfilled. In my report dated February 24, 2016, in my capacity as the preliminary insolvency administrator, I determined that the Pickenpack Entities were “illiquid” (*zahlungsunfähig*) and “over-indebted” (*überschuldet*) and that, therefore, the statutory requirements under the German Insolvency Act for the opening of insolvency proceedings was met.

17. Based, in large part, on my findings, the German Court found that the Pickenpack Entities were “insolvent and heavily indebted” and issued an order opening the German Proceedings of the Pickenpack Entities on March 1, 2016 and appointing me as the Insolvency Administrator of the Pickenpack Entities (the “German Insolvency Orders”, together with the German Preliminary Orders, the “German Court Orders”). *See* German Insolvency Orders. Copies of the German Insolvency Orders and a certified English translation are attached to the Petitions as Exhibit C.

18. Upon my appointment as Insolvency Administrator, I began administering the Pickenpack Entities from Germany pursuant to the German Court Orders. Specifically, I worked closely with the Management and held weekly meetings in Lüneburg and/or Riepe, Germany to discuss the ongoing operations of the Pickenpack Entities. In order to control and operate the business activities of the Pickenpack Entities, I and/or members of my team were present in Lüneburg and/or Riepe on nearly all weekdays between December 3, 2015 and June 30, 2016. Furthermore, I personally met with workers at the Lüneburg and Riepe facilities regarding the ongoing German Insolvency Proceedings and the sale of the Pickenpack Entities business and/or assets.

19. In addition, I retained Ernst & Young GmbH (“E&Y”) in order to solicit potential purchasers for the Pickenpack Entities. E&Y subsequently contacted more than 100 potential interested parties of which seven investors submitted offers. During the sale process, I met with more than ten interested parties in Lüneburg or Riepe. However, due to lack of customer approval and insufficient offer amounts, these offers did not result in a sale of the assets at that time.

20. In light of the lack of qualified offers, I decided, with the consent of the creditors’ committees for each of the Pickenpack Entities, on the closure of the business and operations for each of the Pickenpack Entities. This was based on a determination that the ongoing costs required to continue the business and operations outweighed the costs of a closure.

21. Subsequently, I:

- (a) continued operations up until June 30, 2016, at which time I closed down operations for PP Production and PP Europe in Lüneburg;
- (b) sold all assets of TST to Trident, which continues to operate TST in Riepe, Germany; and
- (c) sold various assets of the Pickenpack Entities, including real estate, machinery, and equipment.

22. I have also retained Curtis to obtain legal advice and other services. I have advised and instructed Curtis of the German Proceedings and various other matters from Germany.

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CONCLUSION

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on this 22nd day of September, 2016.

A handwritten signature in blue ink, appearing to read 'F. v. K.', followed by a long, horizontal, wavy line.

Rechtsanwalt
Friedrich von Kaltenborn-Stachau
als (vorläufiger)
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